

Message Text

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C O N F I D E N T I A L LONDON 00543

LIMDIS
DEFENSE FOR SECRETARY BROWN, ASD/ISA MCGIFFERT AND
AMBASSADOR KOMER

E.O. 11652: XGDS-1
TAGS: UK MPOL
SUBJECT: INCREASED UK DEFENSE SPENDING

REF: LONDON 0478

1. POL-MIL ATTACHE HAD BRIEF DISCUSSION JAN 10 WITH
MULLEY ON HEELS OF HIS RETURN FROM MIDDLE EAST TRIP CON-
CERNING THE ABOUT TO BE PUBLICLY ANNOUNCED 3 PERCENT
INCREASE IN DEFENSE BUDGET FOR FIVE YEARS STARTING IN
1979/80. MULLEY WAS IN AN EBULLIENT MOOD AND COMMUNI-
CATED HIS GREAT SATISFACTION WITH RESULTS OF VISIT TO
EGYPT.

2. ON THE DEFENSE INCREASE, MULLEY SAID HE HAD TOUGH
TIME DELIVERING ON HIS DPC COMMITMENT OF LAST MAY AND
OBSERVED THAT PERHAPS BATTLE "ISN'T ENTIRELY OVER YET."
HE SAID LEFTWING MISCHIEF MAKERS LED BY FRANK ALLAUN AND
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SUPPORTED BY IAN MIKARDO, ERIC HEFFER AND JOAN LESTOR
HAD DECIDED TO USE INTERNATIONAL COMMITTEE OF LABOUR
PARTY AS MEANS FOR PRESSING A MEETING BETWEEN THE
NATIONAL EXECUTIVE COMMITTEE AND THE CABINET. THE AIM
OF THE LEFT WING IS TO RESCIND THE 3 PERCENT INCREASE
BUT MORE IMPORTANTLY, MULLEY THOUGHT, THEIR REAL AIM IS
TO "THROW DARTS" AT THE RECENTLY CONCLUDED UK-EGYPTIAN

DEFENSE SALES/SUPPORT ARRANGEMENT AND TO DIRTY THE WATER ON ARMS SALES ISSUES IN GENERAL BY ATTACKING THE EGYPTIAN AND EL SALVADOR DEALS. MULLEY GAVE NO FURTHER INSIGHT INTO THESE MATTERS EXCEPT TO SAY THAT LEFTWING ASSAULTS ON DEFENSE MAKE HIS LIFE IN THE CABINET UNNECESSARILY MORE DEMANDING AND DIFFICULT. HE CLOSED CONVERSATION SAYING THE 3 PERCENT INCREASE WILL HELP TO KEEP ON-GOING PROGRAMS ON COURSE. ANY PAY INCREASE FOR THE ARMED SERVICES WILL BE TREATED AS "INFLATION" AND HENCE WILL NOT CUT INTO THE 3 PERCENT WHICH WILL GO INTO EQUIPMENT PROGRAMS.

3. COMMENT: TODAY'S QUALITY PRESS GIVES PROMINENT COVERAGE TO THE LEFT WING'S DISSATISFACTION WITH EVEN THE CURRENT LEVEL OF DEFENSE SPENDING LET ALONE THE PROPOSED 3 PERCENT INCREASE. THE GOVERNMENT WILL RESIST OPENING UP DEFENSE ISSUES FOR DEBATE BEFORE PUBLICATION OF THE DEFENSE WHITE PAPER CIRCA MID-TO-END FEBRUARY AND WILL TRY TO DEFLECT LEFT WING INSISTENCE ON SEEING THE PRIME MINISTER ON HEELS OF HIS RETURN FROM ASIAN VISIT. TACTIC, ACCORDING TO SENIOR MOD OFFICIAL, ALMOST CERTAINLY WILL BE TO LET DEBATE ON DEFENSE WHITE PAPER DRAW OUT THE STEAM AND, AFTER THE VOTING (WHICH GOVERNMENT CAN HARDLY LOSE SINCE IT CAN COUNT ON CONSERVATIVE AND LIBERAL SUPPORT), ALLOW THE LEFTWING DEPUTATION TO SEE THE PM IF IT STILL INSISTS ON DOING SO. END COMMENT. CONFIDENTIAL

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4. IN A SEPARATE CONVERSATION WITH MULLEY'S OFFICE, FACER TOLD POL-MIL ATTACHE MULLEY IS MOST ANXIOUS TO HAVE SECRETARY BROWN VISIT UK AS OFFICIAL GUEST EITHER BEFORE OR AFTER APRIL NPG MEETING OR MAY DPC. HE SAID SINCE INVITATION STANDS, THE BALL IS IN US COURT AND BRITISH ARE HOPEFUL EARLY DECISION TO ACCEPT WILL BE MADE SO DETAILED PLANNING CAN START.

BREWSTER

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